

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

EL PASO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2022

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

EL PASO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Horizon Regional Municipal Utility District
El Paso County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Horizon Regional Municipal Utility District (the "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Horizon Regional Municipal Utility District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The signature is written in a cursive, flowing style.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

March 7, 2023

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Management's discussion and analysis of Horizon Regional Municipal Utility District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes the District's assets, liabilities, and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund financial statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in the Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,848,738 as of September 30, 2022.

A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment as well as water and wastewater systems less any debt used to acquire those assets that is still outstanding).

The following is a comparative analysis of government-wide changes in net position:

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2022	2021	Change Positive (Negative)
Current and Other Assets	\$ 53,423,067	\$ 37,495,428	\$ 15,927,639
Right-of-Use Assets (Net of Accumulated Amortization)	67,159	146,105	(78,946)
Capital Assets (Net of Accumulated Depreciation)	92,303,554	87,760,120	4,543,434
Total Assets	<u>\$ 145,793,780</u>	<u>\$ 125,401,653</u>	<u>\$ 20,392,127</u>
Deferred Outflows of Resources	\$ 1,834,200	\$ 2,058,442	\$ (224,242)
Long-Term Liabilities	\$ 98,938,704	\$ 82,926,985	\$ (16,011,719)
Other Liabilities	9,792,398	8,307,040	(1,485,358)
Total Liabilities	<u>\$ 108,731,102</u>	<u>\$ 91,234,025</u>	<u>\$ (17,497,077)</u>
Deferred Inflows of Resources	\$ 48,140	\$ 65,766	\$ 17,626
Net Position:			
Net Investment in Capital Assets	\$ 24,958,480	\$ 24,836,036	\$ 122,444
Restricted	8,645,117	7,878,102	767,015
Unrestricted	5,245,141	3,446,166	1,798,975
Total Net Position	<u>\$ 38,848,738</u>	<u>\$ 36,160,304</u>	<u>\$ 2,688,434</u>

The following table provides a summary of the District's operations for the years ended September 30, 2022, and September 30, 2021.

	Summary of Changes in the Statement of Activities		
	2022	2021	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 9,445,111	\$ 8,583,793	\$ 861,318
Charges for Services	11,513,599	10,249,949	1,263,650
Sprayfield Golf Course Revenue	1,231,304	1,124,960	106,344
Other Revenues	1,176,333	809,729	366,604
Total Revenues	<u>\$ 23,366,347</u>	<u>\$ 20,768,431</u>	<u>\$ 2,597,916</u>
Expenses for Services	20,677,913	20,832,070	154,157
Change in Net Position	\$ 2,688,434	\$ (63,639)	\$ 2,752,073
Net Position, Beginning of Year	36,160,304	36,223,943	(63,639)
Net Position, End of Year	<u>\$ 38,848,738</u>	<u>\$ 36,160,304</u>	<u>\$ 2,688,434</u>

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2022, were \$47,567,440, an increase of \$14,637,758 from the prior year.

The General Fund fund balance increased by \$1,776,409, primarily due to property tax collections and service revenues exceeding operating, capital outlay and debt expenditures.

The Debt Service Fund fund balance increased by \$633,769, primarily due to the timing difference between property tax collections and scheduled debt service payments.

The Capital Projects Fund fund balance increased by \$12,227,580, primarily due to unspent proceeds from the Series 2022 bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were \$1,988,468 more than budgeted revenues. Actual expenditures were \$312,059 more than budgeted expenditures. This resulted in a positive budget variance of \$1,676,409. See the budget to actual comparison for additional analysis.

CAPITAL ASSETS

Capital assets as of September 30, 2022, total \$92,303,554 (net of accumulated depreciation) and include land, buildings and equipment as well as water and wastewater systems. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2022	2021	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 4,531,594	\$ 4,531,594	\$
Construction in Progress	8,824,420	5,439,617	3,384,803
Capital Assets, Net of Accumulated Depreciation:			
Water System	44,486,779	43,298,256	1,188,523
Wastewater System	32,822,790	32,778,241	44,549
Buildings	1,604,061	1,663,386	(59,325)
Machinery, Equipment and Other	33,910	49,026	(15,116)
Total Net Capital Assets	\$ 92,303,554	\$ 87,760,120	\$ 4,543,434

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total long-term bond debt payable of \$102,809,985. The changes in the debt position of the District during the fiscal year ended September 30, 2022, are summarized as follows:

Bond Debt Payable, October 1, 2021	\$	86,214,985
Add: Bond Sale - Series 2022		19,590,000
Less: Bond Principal Paid		<u>2,995,000</u>
Bond Debt Payable, September 30, 2022	\$	<u>102,809,985</u>

The bonds are rated at the higher of the underlying rating or the insured rating. The Series 2014 Refunding Bonds, Series 2014 Bonds, Series 2015 Refunding Bonds, Series 2016 Refunding Bonds, Series 2017 Bonds, Series 2019 Bonds, Series 2020 Bonds, Series 2020A Bonds, Series 2021 Refunding Bonds and Series 2022 Bonds carry an underlying rating of “A3” from Moody’s Investor Service (“Moody’s”). The Series 2012 Revenue Refunding Bonds are not rated. The Series 2012 Revenue Refunding Bonds and Series 2020A Bonds were not insured. The Series 2014 Refunding Bonds, Series 2014 Bonds, Series 2016 Refunding Bonds, Series 2019 Bonds, Series 2020, Series 2021 Refunding Bonds and Series 2022 Bonds have an insured rating of “AA” from S&P based on policy issued by Build America Mutual Assurance Company. The Series 2015 Refunding Bonds have an insured rating of “AA” from S&P based on a policy issued by Assured Guaranty Municipal Corporation. The Series 2017 Bonds carried an insured rating of “Baa2” from S&P based on a policy issued by National Public Finance Guarantee prior to the rating being withdrawn.

At the end of the current fiscal year, the District had total long-term leases and notes payable of \$141,002. The changes during the fiscal year ended September 30, 2022, are summarized as follows:

Leases and Notes Payable, October 1, 2021	\$	363,030
Less: Lease Principal Paid		100,590
Less: Note Principal Paid		<u>121,438</u>
Leases and Notes Payable, September 30, 2022	\$	<u>141,002</u>

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Horizon Regional Municipal Utility District, 14100 Horizon Boulevard, Horizon City, TX 79928.

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 4,942,739	\$ 1,469,315
Investments	23,435	6,062,183
Cash with Tax Assessor/Collector	2,559	4,649
Receivables:		
Property Taxes	393,528	652,850
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Doubtful Accounts of \$60,000)	2,446,885	
Other	85,105	
Due from Other Funds	51,372	
Prepaid Costs	32,981	
Land		
Construction in Progress		
Right-of-Use Assets (Net of Accumulated Amortization)		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	\$ 7,978,604	\$ 8,188,997
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ - 0 -	\$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,978,604	\$ 8,188,997

The accompanying notes to the financial
statements are an integral part of this report.

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ 1,622,785	\$ 8,034,839	\$	\$ 8,034,839
34,689,220	40,774,838		40,774,838
	7,208		7,208
	1,046,378		1,046,378
		937,370	937,370
	2,446,885		2,446,885
	85,105		85,105
500	51,872	(51,872)	
	32,981	57,463	90,444
		4,531,594	4,531,594
		8,824,420	8,824,420
		67,159	67,159
		<u>78,947,540</u>	<u>78,947,540</u>
<u>\$ 36,312,505</u>	<u>\$ 52,480,106</u>	<u>\$ 93,313,674</u>	<u>\$ 145,793,780</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1,834,200</u>	<u>\$ 1,834,200</u>
<u><u>\$ 36,312,505</u></u>	<u><u>\$ 52,480,106</u></u>	<u><u>\$ 95,147,874</u></u>	<u><u>\$ 147,627,980</u></u>

The accompanying notes to the financial statements are an integral part of this report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2022

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 1,308,401	\$
Accrued Interest Payable		
Due to Developers	530,367	
Due to Other Funds		41,443
Security Deposits	904,018	
Accrued Interest Earned at Time of Sale		28,958
Interest Payable on Compound Interest Bonds		
Long-Term Liabilities:		
Leases Payable Within One Year		
Leases Payable After One Year		
Notes Payable Within One Year		
Bonds Payable Within One Year		
Bonds Payable After One Year		
TOTAL LIABILITIES	\$ 2,742,786	\$ 70,401
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 393,528	\$ 652,850
Golf Course Credits	7,440	
Golf Course Merchandise	40,700	
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 441,668	\$ 652,850
FUND BALANCES		
Nonspendable:		
Prepaid Costs	\$ 32,981	\$
Restricted for Authorized Construction		
Restricted for Debt Service		7,465,746
Unassigned	4,761,169	
TOTAL FUND BALANCES	\$ 4,794,150	\$ 7,465,746
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,978,604	\$ 8,188,997
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial
statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 994,532	\$ 2,302,933	\$	\$ 2,302,933
		439,807	439,807
	530,367		530,367
10,429	51,872	(51,872)	
	904,018		904,018
	28,958	(28,958)	
		2,097,587	2,097,587
		79,321	79,321
		8,316	8,316
		53,365	53,365
		3,385,000	3,385,000
		98,930,388	98,930,388
<u>\$ 1,004,961</u>	<u>\$ 3,818,148</u>	<u>\$ 104,912,954</u>	<u>\$ 108,731,102</u>
\$	\$ 1,046,378	\$ (1,046,378)	\$
	7,440		7,440
	40,700		40,700
<u>\$ - 0 -</u>	<u>\$ 1,094,518</u>	<u>\$ (1,046,378)</u>	<u>\$ 48,140</u>
\$	\$ 32,981	\$ (32,981)	\$
35,307,544	35,307,544	(35,307,544)	
	7,465,746	(7,465,746)	
	4,761,169	(4,761,169)	
<u>\$ 35,307,544</u>	<u>\$ 47,567,440</u>	<u>\$ (47,567,440)</u>	<u>\$ - 0 -</u>
<u>\$ 36,312,505</u>	<u>\$ 52,480,106</u>		
		\$ 24,958,480	\$ 24,958,480
		8,645,117	8,645,117
		5,245,141	5,245,141
		<u>\$ 38,848,738</u>	<u>\$ 38,848,738</u>

The accompanying notes to the financial statements are an integral part of this report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

Total Fund Balances - Governmental Funds \$ 47,567,440

Amounts reported for governmental activities in the Statement of Net Position are different because:

Bond insurance premiums paid at closing are amortized over the term of the refunding bonds. 57,463

Capital assets and right-of-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 92,370,713

The difference between the net carrying amount of the refunded bonds and the requisition price is recorded as a deferred outflow of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. 1,834,200

Deferred inflows of resources related to property tax revenues and penalty and interest receivables on delinquent taxes for the 2021 and prior tax levies became part of recognized revenues in the governmental activities of the District. 1,983,748

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:

Accrued Interest Payable	\$ (410,849)	
Interest Payable on Compound Interest Bonds	(2,097,587)	
Leases Payable Within One Year	(79,321)	
Leases Payable After One Year	(8,316)	
Notes Payable Within One Year	(53,365)	
Bonds Payable Within One Year	(3,385,000)	
Bonds Payable After One Year	<u>(98,930,388)</u>	<u>(104,964,826)</u>

Total Net Position - Governmental Activities \$ 38,848,738

The accompanying notes to the financial statements are an integral part of this report.

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**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 3,766,925	\$ 5,623,871
Water Service	5,208,692	
Wastewater Service	2,621,573	
Garbage Service Revenues	3,100,721	
Sprayfield Golf Course Revenue	1,231,304	
Penalty and Interest	374,019	74,665
Tap Connection and Inspection Fees	66,895	
Investment Revenues	3,732	48,158
Miscellaneous Revenues	964,607	
TOTAL REVENUES	\$ 17,338,468	\$ 5,746,694
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 485,374	\$
Contracted Services	5,762,056	4,900
Utilities	2,392,128	
Repairs and Maintenance	3,251,029	
Effluent Sprayfield	838,687	
Depreciation/Amortization		
Other	1,518,571	8,150
Capital Outlay	456,897	
Debt Service:		
Lease Principal	100,590	
Lease Interest	6,314	
Note Principal	121,438	
Note Interest	9,565	
Bond Principal	525,000	2,470,000
Bond Interest	94,410	2,629,875
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	\$ 15,562,059	\$ 5,112,925
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	\$ 1,776,409	\$ 633,769
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	\$	\$
Bond Discount		
TOTAL OTHER FINANCING SOURCES (USES)	\$ -0-	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 1,776,409	\$ 633,769
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2021	3,017,741	6,831,977
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2022	\$ 4,794,150	\$ 7,465,746

The accompanying notes to the financial
statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 9,390,796	\$ 54,315	\$ 9,445,111
	5,208,692		5,208,692
	2,621,573		2,621,573
	3,100,721		3,100,721
	1,231,304		1,231,304
	448,684	67,034	515,718
	66,895		66,895
159,836	211,726		211,726
	964,607		964,607
<u>\$ 159,836</u>	<u>\$ 23,244,998</u>	<u>\$ 121,349</u>	<u>\$ 23,366,347</u>
\$	\$ 485,374	\$	\$ 485,374
	5,766,956		5,766,956
	2,392,128		2,392,128
	3,251,029	25,753	3,276,782
	838,687		838,687
		2,798,365	2,798,365
	1,526,721		1,526,721
6,831,709	7,288,606	(7,288,606)	
	100,590	(100,590)	
	6,314		6,314
	121,438	(121,438)	
	9,565		9,565
	2,995,000	(2,995,000)	
	2,724,285	274,617	2,998,902
578,119	578,119		578,119
<u>\$ 7,409,828</u>	<u>\$ 28,084,812</u>	<u>\$ (7,406,899)</u>	<u>\$ 20,677,913</u>
\$ (7,249,992)	\$ (4,839,814)	\$ 7,528,248	\$ 2,688,434
\$ 19,590,000	\$ 19,590,000	\$ (19,590,000)	\$
(112,428)	(112,428)	112,428	
<u>\$ 19,477,572</u>	<u>\$ 19,477,572</u>	<u>\$ (19,477,572)</u>	<u>\$ - 0 -</u>
\$ 12,227,580	\$ 14,637,758	\$ (14,637,758)	\$
		2,688,434	2,688,434
23,079,964	32,929,682	3,230,622	36,160,304
<u>\$ 35,307,544</u>	<u>\$ 47,567,440</u>	<u>\$ (8,718,702)</u>	<u>\$ 38,848,738</u>

The accompanying notes to the financial statements are an integral part of this report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Net Change in Fund Balances - Governmental Funds	\$ 14,637,758
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.	54,315
Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.	67,034
Governmental funds do not account for depreciation. However, in the government-wide financial statements, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(2,798,365)
Governmental funds report capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.	7,262,853
Governmental funds report bond discounts as other financing sources and uses in the year paid. However, in the government-wide financial statements, bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in interest expense.	112,428
Governmental funds report principal payments on long-term debt as expenditures. However, in the government-wide financial statements, principal payments decrease long-term liabilities and the Statement of Activities is not affected.	3,217,028
Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on the debt through fiscal year-end.	(274,617)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	<u>(19,590,000)</u>
Change in Net Position - Governmental Activities	<u>\$ 2,688,434</u>

The accompanying notes to the financial statements are an integral part of this report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 1. CREATION OF DISTRICT

Horizon Regional Municipal Utility District (the “District”) was originally a conservation and reclamation district created on August 8, 1961 by the 57 Legislature of the State of Texas pursuant to Article XVI, Section 59 of the Texas Constitution. On June 12, 1989, the District was converted to a municipal utility district and currently operates under Chapters 49 and 54 of the Texas Water Code. On September 4, 2003, the Texas Commission on Environmental Quality approved a change in the District’s name from the El Paso County Water Authority to Horizon Regional Municipal Utility District.

The District is empowered to purchase, construct, operate, acquire, own, and maintain all water and wastewater facilities and improvements and improvements to control and divert storm water. The District is additionally empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- * Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- * Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- * Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenues and expenses in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Governmental Funds

The District has three governmental funds and considers these funds to be major funds.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenues include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as an expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs, that extend the life of an asset, are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost of \$5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	20-40
Water System	7-50
Wastewater System	5-50
Machinery and Equipment	5-7
Other	3-40

In accordance with GASB Statement No. 87, the District recorded the equipment as a right-of-use asset (see Note 10). The right-of-use asset is being amortized over the same term as the lease using the straight-line method of amortization.

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District’s Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, liabilities, and deferred inflows and outflows of resources associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Governmental Funds Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

	Revenue Refunding Series 2012**	Refunding Series 2014
Amount Outstanding - September 30, 2022	\$ 2,360,000	\$ 7,810,000
Interest Rates	3.60%	3.00% - 4.00%
Maturity Dates – Beginning/Ending	March 1, 2023/2026	February 1, 2023/2032
Interest Payment Dates	March 1/September 1	February 1/August 1
Callable Dates	N/A	August 1, 2022*
	Series 2014	Refunding Series 2015
Amount Outstanding - September 30, 2022	\$ 1,975,000	\$ 7,640,000
Interest Rates	3.75% - 4.00%	3.00% - 4.00%
Maturity Dates – Beginning/Ending	February 1, 2035/2038	February 1, 2023/2032
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	August 1, 2022*	February 1, 2023*

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. The Series 2014 Refunding term bonds maturing February 1, 2026 are subject to mandatory redemption beginning February 1, 2023.

** Direct Placement Bonds

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2016 Refunding	
	Current Interest Bonds	Compound Interest Bonds
Amount Outstanding - September 30, 2022	\$ 11,575,000	\$99,985
Interest Rates	2.00% - 3.25%	4.05%
Maturity Dates – Beginning/Ending	February 1, 2023/2033	February 1, 2034
Interest Payment Dates	February 1/August 1	At Maturity
Callable Dates	February 1, 2024*	Non-Callable**
	Series 2017	Series 2019
Amount Outstanding - September 30, 2022	\$ 9,070,000	\$ 19,015,000
Interest Rates	2.50% - 3.75%	3.00% - 5.00%
Maturity Dates – Beginning/Ending	February 1, 2023/2039	February 1, 2023/2044
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	February 1, 2024*	February 1, 2026*
	Series 2020	Series 2020A
Amount Outstanding - September 30, 2022	\$ 11,110,000	\$ 575,000
Interest Rates	3.00%	0%
Maturity Dates – Beginning/Ending	February 1, 2023/2045	February 1, 2023/2042
Interest Payment Dates	February 1/August 1	N/A
Callable Dates	February 1, 2026*	Non-Callable

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2020 term bonds maturing February 1, 2026, February 1, 2030, February 1, 2034 and February 1, 2045 are subject to mandatory redemption beginning February 1, 2023, February 1, 2027, February 1, 2031 and February 1, 2035, respectively.

** The Series 2016 Compound Interest Bonds are non-callable. The par value of these bonds is \$99,985 and the maturity value is \$3,485,000. Interest on these bonds will be paid at maturity. As of September 30, 2022, the accreted value of these bonds is approximately \$2,197,572. Accrued interest of \$2,097,587 has been recorded as a liability in the Statement of Net Position.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3. LONG-TERM DEBT (Continued)

	Refunding Series 2021	Series 2022
Amount Outstanding - September 30, 2022	\$ 11,990,000	\$ 19,590,000
Interest Rates	2.00% - 3.00%	4.00% - 5.00%
Maturity Dates – Beginning/Ending	February 1, 2023/2038	February 1, 2023/2047
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	February 1, 2028*	August 1, 2028*

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2021 Refunding term bonds maturing February 1, 2035 are subject to mandatory redemption beginning February 1, 2031. Series 2022 term bonds maturing February 1, 2047 are subject to mandatory redemption beginning February 1, 2043.

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2022:

	October 1, 2021	Additions	Retirements	September 30, 2022
Bonds Payable-General Bonds	\$ 83,329,985	\$ 19,590,000	\$ 2,470,000	\$ 100,449,985
Bonds Payable-Direct Placement Bond	2,885,000		525,000	2,360,000
Unamortized Discounts	(786,363)	(112,428)	(52,362)	(846,429)
Unamortized Premiums	405,726		53,894	351,832
Bonds Payable, Net	<u>\$ 85,834,348</u>	<u>\$ 19,477,572</u>	<u>\$ 2,996,532</u>	<u>\$ 102,315,388</u>
			Amount Due Within One Year	\$ 3,385,000
			Amount Due After One Year	<u>98,930,388</u>
			Bonds Payable, Net	<u>\$ 102,315,388</u>

At an election held on May 1, 2021, voters of the District approved the authorization of an additional \$225,000,000 and \$225,000,000 in refunding bonds.

At September 30, 2022, the District had authorized but unissued original bonds in the amount of \$227,735,000 and \$224,475,000 in refunding bonds.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3. LONG-TERM DEBT (Continued)

As of September 30, 2022, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 3,385,000	\$ 3,335,627	\$ 6,720,627
2024	3,490,000	3,323,171	6,813,171
2025	3,600,000	3,209,476	6,809,476
2026	3,715,000	3,093,172	6,808,172
2027	3,175,000	2,982,619	6,157,619
2028-2032	17,560,000	13,129,794	30,689,794
2033-2037	16,859,985	13,706,762	30,566,747
2038-2042	23,375,000	7,102,834	30,477,834
2043-2047	27,650,000	2,656,044	30,306,044
	<u>\$ 102,809,985</u>	<u>\$ 52,539,499</u>	<u>\$ 155,349,484</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. The Series 2012 Revenue Refunding Bonds are payable from and secured by a lien and pledge of the net revenues to be received from the operation of the District’s waterworks and sewer system.

During the year ended September 30, 2022, the District levied an ad valorem debt service tax at the rate of \$0.329557 per \$100 of assessed valuation, which resulted in a tax levy of \$5,665,885 on the adjusted taxable valuation of \$1,716,739,332 for the 2021 tax year. The bond order requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Defined Areas

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities or services that primarily benefit that area. On July 26, 2018, the District approved the creation of defined areas encompassing approximately 119.42 acres (the Ravena LLC Defined Area) and 266.012 acres (the Rancho Desierto Bello Defined Area) (the “Defined Areas”).

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 3. LONG-TERM DEBT (Continued)

Defined Areas (Continued)

At an election held within the Defined Area of the District on November 6, 2018, the voters authorized \$5,560,000 principal amount of bonds to finance water, wastewater and drainage improvements and \$8,340,000 in refunding bonds within the Ravena LLC Defined Area and authorized \$7,500,000 principal amount of bonds to finance water, wastewater and drainage improvements and \$11,250,000 in refunding bonds within the Rancho Desierto Bello Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

At an election held withing the Defined Area of the District on November 3, 2020, the voters of the District approved the creation of a defined area of 779.121 acres within the District. They also authorized \$19,100,000 principal amount of bonds to finance water, wastewater and drainage improvements, \$19,100,000 in refunding bonds and a maximum maintenance tax of \$0.2250 per \$100 valuation of taxable property within the Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

At an election held within the Defined Area of the District on May 7, 2022, the District approved the creation of a defined area of 159.909 acres within the District. They also authorized \$4,200,000 principal amount of bonds to finance water, wastewater and drainage improvements, \$4,200,000 in refunding bonds and a maximum maintenance tax of \$0.50 per \$100 valuation of taxable property within the Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

NOTE 4. SIGNIFICANT BOND ORDERS AND LEGAL REQUIREMENTS

The bond orders state that any profits realized from or interest accruing on investments shall belong to the fund from which the monies for such investments were taken; provided, however, that at the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

The bond orders state that the District is required to provide continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access (“EMMA”) system. This information is of the general type included in the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The bond orders state that the District should take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5th year anniversary of each issue.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District’s deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District’s deposits was \$9,099,591 and the bank balance was \$8,382,852. The District was not subject to custodial credit risk at year-end.

The carrying value of the deposits is included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2022, as listed below:

	Cash
GENERAL FUND	\$ 4,942,739
DEBT SERVICE FUND	1,469,315
CAPITAL PROJECTS FUND	1,622,785
TOTAL DEPOSITS	\$ 8,034,839

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest District funds without express written authority from the Board of Directors.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in LOGIC, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. FirstSouthwest and JPMorgan Chase manage the daily operations of the pool under a contract with the Comptroller. LOGIC measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

As of September 30, 2022, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
<u>GENERAL FUND</u>		
LOGIC	\$ 23,435	\$ 23,435
<u>DEBT SERVICE FUND</u>		
LOGIC	6,062,183	6,062,183
<u>CAPITAL PROJECTS FUND</u>		
LOGIC	33,624,468	33,624,468
Money Market Mutual Funds	1,064,752	1,064,752
TOTAL INVESTMENTS	\$ 40,774,838	\$ 40,774,838

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2022, the District's investment in LOGIC was rated AAA and the money market mutual funds was rated AAAM by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in LOGIC and money market mutual funds to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there is a significant change in value.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022:

	October 1, 2021	Increases	Decreases	September 30, 2022
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 4,531,594	\$	\$	\$ 4,531,594
Construction in Progress	5,439,617	7,262,853	3,878,050	8,824,420
Total Capital Assets Not Being Depreciated	<u>\$ 9,971,211</u>	<u>\$ 7,262,853</u>	<u>\$ 3,878,050</u>	<u>\$ 13,356,014</u>
Capital Assets Subject to Depreciation				
Water System	\$ 64,200,401	\$ 2,833,150	\$	\$ 67,033,551
Wastewater System	45,896,411	1,044,900		46,941,311
Buildings	2,418,853			2,418,853
Machinery, Equipment and Other	1,818,894			1,818,894
Total Capital Assets Subject to Depreciation	<u>\$ 114,334,559</u>	<u>\$ 3,878,050</u>	<u>\$ - 0 -</u>	<u>\$ 118,212,609</u>
Accumulated Depreciation				
Water System	\$ 20,902,145	\$ 1,644,627	\$	\$ 22,546,772
Wastewater System	13,118,170	1,000,351		14,118,521
Buildings	755,467	59,325		814,792
Machinery, Equipment and Other	1,769,868	15,116		1,784,984
Total Accumulated Depreciation	<u>\$ 36,545,650</u>	<u>\$ 2,719,419</u>	<u>\$ - 0 -</u>	<u>\$ 39,265,069</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 77,788,909</u>	<u>\$ 1,158,631</u>	<u>\$ - 0 -</u>	<u>\$ 78,947,540</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 87,760,120</u>	<u>\$ 8,421,484</u>	<u>\$ 3,878,050</u>	<u>\$ 92,303,554</u>

The District has financed drainage facilities which have been conveyed to other entities for maintenance.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 7. MAINTENANCE TAX

On July 14, 1970, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 per \$100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District. During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of \$0.2214 per \$100 of assessed valuation, which resulted in a tax levy of \$3,806,404 on the adjusted taxable valuation of \$1,716,739,332 for the 2021 tax year.

Defined Areas

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities or services that primarily benefit that area. On July 26, 2018, the District approved the creation of defined areas encompassing approximately 119.42 acres and 266.012 acres (the “Defined Areas”) (See Note 3).

At an election held within the Defined Area of the District on November 6, 2018 the voters authorized a maximum maintenance tax rate of \$1.00 per \$100 of assessed valuation for property within the Defined Areas, which ad valorem taxes shall be in addition to other taxes imposed by the District on the same area.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its director bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (“TML”) to provide property, general liability, automobile liability, cyber liability, boiler and machinery, and errors and omissions. The District, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise, they are submitted and paid by TML. There have been no significant changes in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9. PROFESSIONAL SERVICE CONTRACT

Effective January 9, 2013, the District entered into a professional service contract with Severn Trent Environmental Services, Inc. (“Severn Trent”), now known as Inframark LLC (“Inframark”). The terms of the contract call for Inframark to fully assume the management, operations, maintenance and repair of the District. The initial term was for 5 years.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 9. PROFESSIONAL SERVICE CONTRACT (Continued)

On February 22, 2018, the District entered into a new contract with Inframark with a commencement date of March 1, 2018. The District will be charged a base monthly fee plus compensation for authorized additional services. Annual adjustments to the base fee will be made according to changes to the Consumer Price Index. The contract shall remain in full force and effect for 5 years from the commencement date unless terminated for cause provided for in the agreement. Thereafter, the contract will automatically renew for successive 1-year periods unless cancelled in writing by either party at least 60 days prior to the expiration of the then current term.

NOTE 10. LEASES

On December 19, 2016, the District entered in a Master Lease-Purchase Agreement with John Deere Financial in the amount of \$423,500 to fund the purchase of turf maintenance equipment. The maintenance equipment is recorded as an asset of the District and is being depreciated over the term of the lease. Lease payments and related interest of \$7,636 are due monthly beginning January 1, 2017 and ending December 1, 2021. The incremental borrowing rate is 3.25%. This lease was paid in full during the current fiscal year.

On March 23, 2018, the District entered in a Lease Purchase Agreement with John Deere Financial in the amount of \$33,928 to fund the purchase of a Progator 2030 and HD200 Sprayer. The equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$6,786 has been recorded as part of amortization expense in the current fiscal year. Lease payments and related interest of \$634 are due monthly beginning April 1, 2018 and ending April 1, 2023. The incremental borrowing rate is 4.75%.

On May 30, 2018, the District entered in a Municipal Lease Purchase Agreement with Western Equipment Finance in the amount of \$25,000 to fund the purchase of an Express Dual 3000DX Reel Grinder and an Angle Master 2000DX Bed Knife Grinder. The equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$5,000 has been recorded as part of amortization expense in the current fiscal year. Lease payments and related interest of \$498 are due monthly beginning May 30, 2018 and ending May 5, 2023. The incremental borrowing rate is 7.25%.

On September 12, 2018, the District entered in a Municipal Lease Purchase Agreement with Western Equipment Finance in the amount of \$14,000 to fund the purchase of a Toro 5510 Fairway Unit Mower. The equipment is recorded as an asset of the District and is being depreciated over the term of the lease. \$3,500 has been recorded as part of amortization expense in the current fiscal year. Lease payments and related interest of \$341 are due monthly beginning September 11, 2018 and ending August 5, 2022. The incremental borrowing rate is 7.95%.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10. LEASES (Continued)

On August 13, 2018, the District entered into two Lease Purchase Agreements with Yamaha Motor Finance Corporation, U.S.A. in the amounts of \$200,070 and \$13,339, respectively. The District agreed for the financing to fund the purchase of golf carts. The golf carts are recorded as assets of the District and are being depreciated over the term of the lease. Amortization expense in the current year totaled \$40,014. Lease payments and related interest of \$3,724 and \$248, respectively, are due monthly beginning November 15, 2018 and ending October 15, 2023. The incremental borrowing rate is 4.60%.

On July 15, 2020, the District entered into a condition of sale agreement with Yamaha Motor Finance Corporation, U.S.A. in the amount of \$81,438. The District agreed for the financing to fund the purchase of golf carts. The golf carts are recorded as assets of the District and are being depreciated over the term of the lease. Amortization expense in the current year totaled \$27,146. Lease payments and related interest of \$2,192 are due monthly beginning July 15, 2020. The incremental borrowing rate is 4.60%.

In accordance with the requirements of GASB Statement No. 87, which was required to be implemented in the current fiscal year, the District reclassified certain capital assets to right-of-use assets. Right-of-use assets, current year amortization expense, and accumulated amortization is summarized below:

	October 1, 2021	Increases	Decreases	September 30, 2022
Right-of-use Asset Subject to Amortization				
Equipment	\$ 354,436	\$ - 0 -	\$ - 0 -	\$ 354,436
Less Accumulated Amortization				
Equipment	\$ 208,331	\$ 78,946	\$ - 0 -	\$ 287,277
Right-of-use Asset, Net of Accumulated Amortization	<u>\$ 146,105</u>	<u>\$ (78,946)</u>	<u>\$ - 0 -</u>	<u>\$ 67,159</u>

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 10. LEASES (Continued)

The following is a schedule of future minimum lease payments under the capital leases as of September 30, 2022:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 79,321	\$ 2,280	\$ 81,601
2024	<u>8,316</u>	<u>39</u>	<u>8,355</u>
	<u>\$ 87,637</u>	<u>\$ 2,319</u>	<u>\$ 89,956</u>

The following is a summary of transactions regarding capital leases payable for the year ended September 30, 2022:

Capital Leases Payable, October 1, 2021	\$ 188,227
Less: Principal Paid	<u>100,590</u>
Capital Leases Payable, September 30, 2022	<u>\$ 87,637</u>
Capital Leases Payable:	
Due Within One Year	\$ 79,321
Due After One Year	<u>8,316</u>
Capital Leases Payable, September 30, 2022	<u>\$ 87,637</u>

NOTE 11. NOTES PAYABLE

On February 26, 2013, the District entered into a note with MPS Revokable Trust in the amount of \$900,000 with an interest rate of 8.0%. Monthly note payments are due the first day of each month in the amount of \$10,919 through February 1, 2016, with a final payment of \$711,506 due March 1, 2016. The note has been renewed on February 25, 2016, February 23, 2017, February 22, 2018, February 28, 2019, February 27, 2020, February 25, 2021, and February 24, 2022. The District made total payments in the amount of \$131,033, of which \$121,438 was principal. The remaining principal balance of \$53,365 is due in the next fiscal year.

The following is a schedule of future note payments as of September 30, 2022:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	<u>\$ 53,365</u>	<u>\$ 1,070</u>	<u>\$ 54,435</u>

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

NOTE 11. NOTES PAYABLE (Continued)

The following is a summary of transactions regarding notes payable for the year ended September 30, 2022:

Notes Payable, October 1, 2021	\$	174,803
Less: Principal Paid		<u>121,438</u>
Notes Payable, September 30, 2022	\$	<u>53,365</u>
Notes Payable:		
Due Within One Year	\$	<u>53,365</u>

NOTE 12. INTERFUND BALANCES

At September 30, 2022, the Capital Projects Fund owed the General Fund \$10,429 for capital costs approved to be paid with bond proceeds. The Debt Service Fund owes the General Fund \$40,943 for paying agent fees and debt related expenses. The Debt Service Fund owes the Capital Projects Fund \$500.

NOTE 13. BOND SALE

On September 14, 2022, the District issued \$19,590,000 of Unlimited Tax Bonds, Series 2022. Proceeds from the bonds will be used for construction and engineering costs for a reverse osmosis water treatment plant, an auxiliary generator, water tank rehabilitation, a water line loop, digester repairs and a lift station rehabilitation. Additional proceeds were used to pay for issuance costs of the bonds.

NOTE 14. PRINCIPAL FORGIVENESS AGREEMENT

On June 16, 2020, the District entered into a principal forgiveness agreement with the Texas Water Development Board (the "TWDB"). The District submitted an application to the TWDB for financial assistance in the amount of \$1,226,880 from the Clean Water State Revolving Fund to finance the planning and design of certain system improvements for the project. The TWDB determined that the District qualifies for principal forgiveness in the amount of \$606,880. These funds will remain in escrow until applicable requirements and conditions are met per this agreement.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2022

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 3,600,000	\$ 3,766,925	\$ 166,925
Water Service	4,592,000	5,582,711	990,711
Wastewater Service	2,684,000	2,621,573	(62,427)
Garbage Service Revenues	3,000,000	3,100,721	100,721
Sprayfield Golf Course Revenue	960,000	1,231,304	271,304
Tap Connection and Inspection Fees	28,000	66,895	38,895
Investment Revenues	5,000	3,732	(1,268)
Miscellaneous Revenues	481,000	964,607	483,607
TOTAL REVENUES	<u>\$ 15,350,000</u>	<u>\$ 17,338,468</u>	<u>\$ 1,988,468</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 275,000	\$ 485,374	\$ (210,374)
Contracted Services	5,825,000	5,762,056	62,944
Utilities	2,000,000	2,392,128	(392,128)
Repairs and Maintenance	4,114,040	3,251,029	863,011
Effluent Sprayfield	1,010,000	838,687	171,313
Other	986,540	1,518,571	(532,031)
Capital Outlay	300,000	456,897	(156,897)
Debt Service:			
Lease Principal and Interest	132,000	106,904	25,096
Note Principal and Interest		131,003	(131,003)
Bond Principal and Interest	607,420	619,410	(11,990)
TOTAL EXPENDITURES	<u>\$ 15,250,000</u>	<u>\$ 15,562,059</u>	<u>\$ (312,059)</u>
NET CHANGE IN FUND BALANCE	\$ 100,000	\$ 1,776,409	\$ 1,676,409
FUND BALANCE - OCTOBER 1, 2021	<u>3,017,741</u>	<u>3,017,741</u>	
FUND BALANCE - SEPTEMBER 30, 2022	<u>\$ 3,117,741</u>	<u>\$ 4,794,150</u>	<u>\$ 1,676,409</u>

See accompanying independent auditor's report.

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

SEPTEMBER 30, 2022

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered			x 1.0	
≤¾"	12,796	12,494	x 1.0	12,494
1"	95	88	x 2.5	220
1½"	45	41	x 5.0	205
2"	66	63	x 8.0	504
3"	15	15	x 15.0	225
4"	20	20	x 25.0	500
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u>13,038</u>	<u>12,722</u>		<u>14,198</u>
Total Wastewater Connections	<u>10,012</u>	<u>9,764</u>	x 1.0	<u>9,764</u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	1,320,187,000	Water Accountability Ratio: 89.56% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	1,182,338,000	

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes No

Does the District have Operation and Maintenance standby fees? Yes No

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes No

County or Counties in which District is located:

El Paso County, Texas

Is the District located within a city?

Entirely Partly Not at all

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJ's in which District is located:

City of El Paso, Texas; City of Socorro, Texas; and Town of Horizon City, Texas

Are Board Members appointed by an office outside the District?

Yes No

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

PROFESSIONAL FEES:	
Auditing	\$ 32,000
Engineering	162,568
Legal	209,391
Delinquent Tax Attorney	<u>81,415</u>
TOTAL PROFESSIONAL FEES	<u>\$ 485,374</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 117,625
Bookkeeping	74,649
Management and Operations	2,747,306
Tax Assessor/Collector	<u>81,415</u>
TOTAL CONTRACTED SERVICES	<u>\$ 3,020,995</u>
UTILITIES	<u>\$ 2,392,128</u>
REPAIRS AND MAINTENANCE	<u>\$ 3,251,029</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 25,800
Dues	1,522
Insurance	57,007
Legal Notices	4,591
Office Supplies and Postage	1,834
Travel and Meetings	2,388
Other	<u>13,550</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 106,692</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

CAPITAL OUTLAY	\$ <u>456,897</u>
SOLID WASTE DISPOSAL	\$ <u>2,741,061</u>
EFFLUENT SPRAYFIELD	\$ <u>838,687</u>
OTHER EXPENDITURES:	
Chemicals	\$ 829,019
Fuel, Gasoline and Oil	58,592
Laboratory Fees	83,782
Permit Fees	158,045
Regulatory Assessment	36,921
Sludge Hauling	145,628
Other	<u>99,892</u>
TOTAL OTHER EXPENDITURES	\$ <u>1,411,879</u>
DEBT SERVICE:	
Bond Principal	\$ 525,000
Bond Interest	94,410
Lease Principal	100,590
Lease Interest	6,314
Note Principal	121,438
Note Interest	<u>9,565</u>
TOTAL DEBT SERVICE	\$ <u>857,317</u>
TOTAL EXPENDITURES	<u>\$ 15,562,059</u>

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
INVESTMENTS
SEPTEMBER 30, 2022**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
LOGIC	XXXX4010	Varies	Daily	\$ 23,435	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
LOGIC	XXXX4020	Varies	Daily	\$ 6,062,183	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
LOGIC	XXXX4050	Various	Daily	\$ 33,624,468	\$
Money Market Mutual Fund	XXXX4991	Various	Daily	569,026	
Money Market Mutual Fund	XXXX5001	Various	Daily	495,726	
TOTAL CAPITAL PROJECTS FUND				<u>\$ 34,689,220</u>	<u>\$ - 0 -</u>
TOTAL - ALL FUNDS				<u>\$ 40,774,838</u>	<u>\$ - 0 -</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
OCTOBER 1, 2021	\$	363,721	\$	628,342
Adjustments to Beginning				
Balance		<u>(9,672)</u>	\$	<u>610,836</u>
Original 2021 Tax Levy	\$	3,843,472	\$	5,721,061
Adjustment to 2021 Tax Levy		<u>(37,068)</u>	<u>3,806,404</u>	<u>(55,176)</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	4,160,453	\$
				6,276,721
TAX COLLECTIONS:				
Prior Years	\$	47,492	\$	87,443
Current Year		<u>3,719,433</u>	<u>3,766,925</u>	<u>5,536,428</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2022		<u>\$</u>	<u>393,528</u>	<u>\$</u>
				<u>652,850</u>
TAXES RECEIVABLE BY				
YEAR:				
2021	\$	86,971	\$	129,457
2020		46,999		82,095
2019		36,178		69,804
2018		27,688		53,434
2017		19,586		35,482
2016		15,979		31,903
2015		13,146		28,715
2014		11,866		27,291
2013		10,522		25,036
2012		9,864		22,309
2011		7,911		19,823
2010		6,875		18,161
2009		6,791		15,359
2008		9,157		15,552
2007		9,193		13,458
2006 and prior		<u>74,802</u>		<u>64,971</u>
TOTAL	\$	<u>393,528</u>	\$	<u>652,850</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 1,716,739,332</u>	<u>\$ 1,504,121,988</u>	<u>\$ 1,434,613,058</u>	<u>\$ 1,322,694,833</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.329557	\$ 0.365294	\$ 0.378900	\$ 0.365148
Maintenance**	<u>0.221400</u>	<u>0.209129</u>	<u>0.196374</u>	<u>0.189207</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.550957</u>	<u>\$ 0.574423</u>	<u>\$ 0.575274</u>	<u>\$ 0.554355</u>
ADJUSTED TAX LEVY*	<u>\$ 9,472,289</u>	<u>\$ 8,653,701</u>	<u>\$ 8,267,355</u>	<u>\$ 7,343,608</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>97.72 %</u>	<u>98.51 %</u>	<u>98.72 %</u>	<u>98.90 %</u>

* Based upon the adjusted tax at the time of the audit for the fiscal year in which the tax was levied.

** Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation was approved by voters on July 14, 1970.

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

REVENUE REFUNDING SERIES - 2012

Due During Fiscal Years Ending September 30	Principal Due March 1	Interest Due March 1/ September 1	Total
2023	\$ 550,000	\$ 75,060	\$ 625,060
2024	575,000	54,810	629,810
2025	605,000	33,570	638,570
2026	630,000	11,340	641,340
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 2,360,000</u>	<u>\$ 174,780</u>	<u>\$ 2,534,780</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

REFUNDING SERIES - 2014

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 20,000	\$ 292,050	\$ 312,050
2024	20,000	291,450	311,450
2025	20,000	290,850	310,850
2026	955,000	276,225	1,231,225
2027	990,000	247,050	1,237,050
2028	1,045,000	211,300	1,256,300
2029	1,100,000	168,400	1,268,400
2030	1,155,000	123,300	1,278,300
2031	1,220,000	75,800	1,295,800
2032	1,285,000	25,700	1,310,700
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 7,810,000</u>	<u>\$ 2,002,125</u>	<u>\$ 9,812,125</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

S E R I E S - 2 0 1 4			
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$	\$ 76,712	\$ 76,712
2024		76,713	76,713
2025		76,712	76,712
2026		76,713	76,713
2027		76,712	76,712
2028		76,713	76,713
2029		76,712	76,712
2030		76,713	76,713
2031		76,712	76,712
2032		76,713	76,713
2033		76,712	76,712
2034		76,713	76,713
2035	435,000	68,556	503,556
2036	480,000	51,400	531,400
2037	510,000	32,200	542,200
2038	550,000	11,000	561,000
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	\$ 1,975,000	\$ 1,083,706	\$ 3,058,706

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

REFUNDING SERIES - 2015

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 435,000	\$ 261,075	\$ 696,075
2024	440,000	245,750	685,750
2025	450,000	230,200	680,200
2026	835,000	210,925	1,045,925
2027	860,000	184,963	1,044,963
2028	875,000	157,306	1,032,306
2029	895,000	128,544	1,023,544
2030	920,000	95,600	1,015,600
2031	955,000	58,100	1,013,100
2032	975,000	19,500	994,500
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 7,640,000</u>	<u>\$ 1,591,963</u>	<u>\$ 9,231,963</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

REFUNDING SERIES - 2016

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 705,000	\$ 332,356	\$ 1,037,356
2024	725,000	317,604	1,042,604
2025	750,000	300,525	1,050,525
2026	770,000	281,525	1,051,525
2027	800,000	259,900	1,059,900
2028	825,000	235,525	1,060,525
2029	855,000	210,325	1,065,325
2030	885,000	184,225	1,069,225
2031	910,000	156,163	1,066,163
2032	950,000	125,938	1,075,938
2033	3,400,000	55,250	3,455,250
2034	99,985	3,385,015	3,485,000
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 11,674,985</u>	<u>\$ 5,844,351</u>	<u>\$ 17,519,336</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

S E R I E S - 2 0 1 7

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 155,000	\$ 321,362	\$ 476,362
2024	155,000	317,100	472,100
2025	150,000	312,525	462,525
2026	60,000	309,375	369,375
2027	50,000	307,725	357,725
2028	40,000	306,375	346,375
2029	35,000	305,250	340,250
2030	30,000	304,256	334,256
2031	20,000	303,463	323,463
2032	15,000	302,894	317,894
2033		302,650	302,650
2034		302,650	302,650
2035	1,025,000	284,712	1,309,712
2036	1,060,000	248,225	1,308,225
2037	1,105,000	210,338	1,315,338
2038	1,150,000	170,875	1,320,875
2039	4,020,000	75,375	4,095,375
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 9,070,000</u>	<u>\$ 4,685,150</u>	<u>\$ 13,755,150</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

S E R I E S - 2 0 1 9

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 65,000	\$ 684,519	\$ 749,519
2024	70,000	681,144	751,144
2025	70,000	677,644	747,644
2026	70,000	674,144	744,144
2027	70,000	670,644	740,644
2028	75,000	667,769	742,769
2029	75,000	665,519	740,519
2030	80,000	663,194	743,194
2031	80,000	660,794	740,794
2032	85,000	658,266	743,266
2033	25,000	656,531	681,531
2034		656,125	656,125
2035	160,000	653,425	813,425
2036	165,000	647,941	812,941
2037	165,000	642,269	807,269
2038	160,000	636,581	796,581
2039	160,000	630,981	790,981
2040	3,215,000	571,919	3,786,919
2041	3,345,000	455,028	3,800,028
2042	3,480,000	331,325	3,811,325
2043	3,625,000	202,547	3,827,547
2044	3,775,000	68,422	3,843,422
2045			
2046			
2047			
	<u>\$ 19,015,000</u>	<u>\$ 12,856,731</u>	<u>\$ 31,871,731</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

S E R I E S - 2 0 2 0

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 5,000	\$ 333,225	\$ 338,225
2024	5,000	333,075	338,075
2025	10,000	332,850	342,850
2026	10,000	332,550	342,550
2027	15,000	332,175	347,175
2028	15,000	331,725	346,725
2029	15,000	331,275	346,275
2030	15,000	330,825	345,825
2031	15,000	330,375	345,375
2032	10,000	330,000	340,000
2033	15,000	329,625	344,625
2034	10,000	329,250	339,250
2035	15,000	328,875	343,875
2036	10,000	328,500	338,500
2037	10,000	328,200	338,200
2038	15,000	327,825	342,825
2039	10,000	327,450	337,450
2040	1,125,000	310,425	1,435,425
2041	1,140,000	276,450	1,416,450
2042	1,160,000	241,950	1,401,950
2043	1,175,000	206,925	1,381,925
2044	1,190,000	171,450	1,361,450
2045	5,120,000	76,800	5,196,800
2046			
2047			
	<u>\$ 11,110,000</u>	<u>\$ 6,901,800</u>	<u>\$ 18,011,800</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

S E R I E S - 2 0 2 0 A

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 20,000	\$	\$ 20,000
2024	25,000		25,000
2025	25,000		25,000
2026	30,000		30,000
2027	30,000		30,000
2028	35,000		35,000
2029	35,000		35,000
2030	30,000		30,000
2031	30,000		30,000
2032	30,000		30,000
2033	30,000		30,000
2034	30,000		30,000
2035	30,000		30,000
2036	30,000		30,000
2037	30,000		30,000
2038	30,000		30,000
2039	30,000		30,000
2040	35,000		35,000
2041	25,000		25,000
2042	15,000		15,000
2043			
2044			
2045			
2046			
2047			
	\$ 575,000	\$ - 0 -	\$ 575,000

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

SERIES - 2021 REFUNDING

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 1,135,000	\$ 260,525	\$ 1,395,525
2024	1,175,000	225,875	1,400,875
2025	1,220,000	189,950	1,409,950
2026	45,000	170,975	215,975
2027	50,000	169,550	219,550
2028	50,000	168,050	218,050
2029	50,000	166,550	216,550
2030	50,000	165,050	215,050
2031	55,000	163,750	218,750
2032	55,000	162,650	217,650
2033	55,000	161,550	216,550
2034	55,000	160,450	215,450
2035	1,965,000	140,250	2,105,250
2036	1,985,000	100,750	2,085,750
2037	2,010,000	60,800	2,070,800
2038	2,035,000	20,350	2,055,350
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
	<u>\$ 11,990,000</u>	<u>\$ 2,487,075</u>	<u>\$ 14,477,075</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

S E R I E S - 2 0 2 2

Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2023	\$ 295,000	\$ 698,743	\$ 993,743
2024	300,000	779,650	1,079,650
2025	300,000	764,650	1,064,650
2026	310,000	749,400	1,059,400
2027	310,000	733,900	1,043,900
2028	315,000	718,275	1,033,275
2029	325,000	703,900	1,028,900
2030	340,000	690,600	1,030,600
2031	345,000	676,900	1,021,900
2032	360,000	662,800	1,022,800
2033	365,000	648,300	1,013,300
2034	380,000	633,400	1,013,400
2035	390,000	618,000	1,008,000
2036	400,000	602,200	1,002,200
2037	415,000	585,900	1,000,900
2038	425,000	569,100	994,100
2039	290,000	554,800	844,800
2040	295,000	543,100	838,100
2041	320,000	530,800	850,800
2042	345,000	517,500	862,500
2043	375,000	503,100	878,100
2044	390,000	487,800	877,800
2045	410,000	471,800	881,800
2046	5,705,000	349,500	6,054,500
2047	5,885,000	117,700	6,002,700
	<u>\$ 19,590,000</u>	<u>\$ 14,911,818</u>	<u>\$ 34,501,818</u>

See accompanying independent auditor's report.

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2022

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending September 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2023	\$ 3,385,000	\$ 3,335,627	\$ 6,720,627
2024	3,490,000	3,323,171	6,813,171
2025	3,600,000	3,209,476	6,809,476
2026	3,715,000	3,093,172	6,808,172
2027	3,175,000	2,982,619	6,157,619
2028	3,275,000	2,873,038	6,148,038
2029	3,385,000	2,756,475	6,141,475
2030	3,505,000	2,633,763	6,138,763
2031	3,630,000	2,502,057	6,132,057
2032	3,765,000	2,364,461	6,129,461
2033	3,890,000	2,230,618	6,120,618
2034	574,985	5,543,603	6,118,588
2035	4,020,000	2,093,818	6,113,818
2036	4,130,000	1,979,016	6,109,016
2037	4,245,000	1,859,707	6,104,707
2038	4,365,000	1,735,731	6,100,731
2039	4,510,000	1,588,606	6,098,606
2040	4,670,000	1,425,444	6,095,444
2041	4,830,000	1,262,278	6,092,278
2042	5,000,000	1,090,775	6,090,775
2043	5,175,000	912,572	6,087,572
2044	5,355,000	727,672	6,082,672
2045	5,530,000	548,600	6,078,600
2046	5,705,000	349,500	6,054,500
2047	5,885,000	117,700	6,002,700
	<u>\$ 102,809,985</u>	<u>\$ 52,539,499</u>	<u>\$ 155,349,484</u>

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Description	Original Bonds Issued	Bonds Outstanding October 1, 2021
Horizon Regional Municipal Utility District Waterworks and Sewer System Revenue Refunding Bonds - Series 2012	\$ 6,660,000	\$ 2,885,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2014	7,935,000	7,830,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2014	1,975,000	1,975,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2015	9,535,000	8,065,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2016	15,164,985	12,364,985
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2017	9,575,000	9,225,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2019	19,200,000	19,080,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2020	11,110,000	11,110,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2020A	620,000	595,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2021	13,085,000	13,085,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2022	<u>19,590,000</u>	
	<u>\$ 114,449,985</u>	<u>\$ 86,214,985</u>
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 355,000,000	\$ 292,500,000
Amount Issued	<u>127,265,000</u>	<u>68,025,000</u>
Remaining to be Issued	<u>\$ 227,735,000</u>	<u>\$ 224,475,000</u>

See accompanying independent auditor's report.

<u>Current Year Transactions</u>					
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding September 30, 2022</u>		<u>Paying Agent</u>
	<u>Principal</u>	<u>Interest</u>			
	\$ 525,000	\$ 94,410	\$ 2,360,000		Southside Bank Tyler, TX
	20,000	292,600	7,810,000		Bank of Texas Austin, TX
		76,713	1,975,000		Bank of Texas Austin, TX
	425,000	273,975	7,640,000		BOKF, N.A. Austin, TX
	690,000	346,306	11,674,985		BOKF, N.A. Austin, TX
	155,000	325,237	9,070,000		BOKF, N.A. Austin, TX
	65,000	687,769	19,015,000		UMB Bank, N.A. Austin, TX
		333,300	11,110,000		UMB Bank, N.A. Austin, TX
	20,000		575,000		UMB Bank, N.A. Austin, TX
	1,095,000	293,975	11,990,000		UMB Bank, N.A. Austin, TX
<u>19,590,000</u>			<u>19,590,000</u>		UMB Bank, N.A. Austin, TX
<u>\$ 19,590,000</u>	<u>\$ 2,995,000</u>	<u>\$ 2,724,285</u>	<u>\$ 102,809,985</u>		

Debt Service Fund cash and investment balances as of September 30, 2022: \$ 7,536,147

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 6,213,979

See Note 3 for interest rates, interest payment dates and maturity dates.

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

Amounts

	2022	2021	2020
REVENUES			
Property Taxes	\$ 3,766,925	\$ 3,126,950	\$ 2,796,044
Water Service	5,208,692	4,517,404	3,463,204
Wastewater Service	2,621,573	2,434,917	2,098,415
Garbage Service Revenues	3,100,721	2,864,993	2,568,604
Sprayfield Golf Course Revenue	1,231,304	1,124,960	888,800
Penalty and Interest	374,019	201,953	179,296
Tap Connection and Inspection Fees	66,895	62,208	23,364
Investment Revenues	3,732	2,796	11,231
Sales of Assets			780,998
Miscellaneous Revenues	964,607	772,983	297,499
TOTAL REVENUES	<u>\$ 17,338,468</u>	<u>\$ 15,109,164</u>	<u>\$ 13,107,455</u>
EXPENDITURES			
Professional Fees	\$ 485,374	\$ 324,131	\$ 364,591
Contracted Services	5,762,056	5,347,252	5,169,197
Utilities	2,392,128	1,682,245	1,512,665
Repairs and Maintenance	3,251,029	2,956,922	3,344,690
Effluent Sprayfield	838,687	768,541	583,966
Other	1,518,571	1,205,731	1,158,161
Capital Outlay	456,897	283,914	169,018
Debt Service:			
Bond Issuance Costs		2,344	
Principal	747,028	786,904	725,458
Interest	110,289	159,760	181,461
TOTAL EXPENDITURES	<u>\$ 15,562,059</u>	<u>\$ 13,517,744</u>	<u>\$ 13,209,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,776,409</u>	<u>\$ 1,591,420</u>	<u>\$ (101,752)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$	\$	\$ (87,021)
Lease Proceeds		81,438	
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ 81,438</u>	<u>\$ (87,021)</u>
NET CHANGE IN FUND BALANCE	\$ 1,776,409	\$ 1,672,858	\$ (188,773)
BEGINNING FUND BALANCE	<u>3,017,741</u>	<u>1,344,883</u>	<u>1,533,656</u>
ENDING FUND BALANCE	<u>\$ 4,794,150</u>	<u>\$ 3,017,741</u>	<u>\$ 1,344,883</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 2,474,562	\$ 2,171,236	21.6 %	20.7 %	21.3 %	20.6 %	19.7 %
3,152,598	3,167,578	30.1	30.0	26.3	26.2	28.7
2,048,397	2,049,950	15.1	16.1	16.0	17.1	18.6
2,526,675	2,368,676	17.9	19.0	19.6	21.1	21.5
932,960	642,916	7.1	7.4	6.8	7.8	5.8
299,416	281,828	2.2	1.3	1.4	2.5	2.6
30,068	164,639	0.4	0.4	0.2	0.3	1.5
6,921	5,467			0.1	0.1	0.1
				6.0		
509,189	168,150	5.6	5.1	2.3	4.3	1.5
\$ 11,980,786	\$ 11,020,440	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
\$ 337,697	\$ 354,928	2.8 %	2.1 %	2.8 %	2.8 %	3.2 %
4,843,610	4,431,644	33.2	35.4	39.4	40.4	40.2
1,359,177	1,570,375	13.8	11.1	11.5	11.3	14.2
2,739,901	2,422,529	18.8	19.6	25.5	22.9	22.0
964,787	777,093	4.8	5.1	4.5	8.1	7.0
984,676	835,489	8.8	8.0	8.8	8.2	7.6
516,148	543,910	2.6	1.9	1.3	4.3	4.9
	20,585					0.2
692,852	656,500	4.3	5.2	5.5	5.8	6.0
205,334	223,540	0.6	1.1	1.4	1.7	2.0
\$ 12,644,182	\$ 11,836,593	89.7 %	89.5 %	100.7 %	105.5 %	107.3 %
\$ (663,396)	\$ (816,153)	10.3 %	10.5 %	(0.7) %	(5.5) %	(7.3) %
\$ 20,585	\$ 269					
213,409	72,928					
\$ 233,994	\$ 73,197					
\$ (429,402)	\$ (742,956)					
1,963,058	2,706,014					
\$ 1,533,656	\$ 1,963,058					

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUNDS - FIVE YEARS

	Amounts		
	2022	2021	2020
REVENUES			
Property Taxes	\$ 5,623,871	\$ 5,469,874	\$ 5,396,626
Penalty and Interest	74,665	68,846	80,509
Investment Revenues	48,158	8,723	74,591
Miscellaneous Revenues	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	<u>\$ 5,746,694</u>	<u>\$ 5,547,443</u>	<u>\$ 5,551,726</u>
EXPENDITURES			
Tax Collection Expenditures	\$ 8,150	\$ 6,500	\$ 6,500
Debt Service Principal	2,470,000	2,320,000	2,235,000
Debt Service Interest and Fees	2,634,775	2,697,877	2,751,457
Bond Issuance Costs	<u> </u>	<u>374,659</u>	<u> </u>
TOTAL EXPENDITURES	<u>\$ 5,112,925</u>	<u>\$ 5,399,036</u>	<u>\$ 4,992,957</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 633,769</u>	<u>\$ 148,407</u>	<u>\$ 558,769</u>
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$	\$	\$ 22,021
Long-Term Debt Issued		13,085,000	
Payment to Refunded Bond Escrow Agent		(12,812,301)	
Bond Premium		<u>103,054</u>	
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ 375,753</u>	<u>\$ 22,021</u>
NET CHANGE IN FUND BALANCE	\$ 633,769	\$ 524,160	\$ 580,790
BEGINNING FUND BALANCE	<u>6,831,977</u>	<u>6,307,817</u>	<u>5,727,027</u>
ENDING FUND BALANCE	<u>\$ 7,465,746</u>	<u>\$ 6,831,977</u>	<u>\$ 6,307,817</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>12,722</u>	<u>12,219</u>	<u>11,226</u>
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>9,764</u>	<u>9,200</u>	<u>8,809</u>

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2019	2018	2022	2021	2020	2019	2018
\$ 4,775,779	\$ 3,943,341	97.9 %	98.6 %	97.2 %	97.2 %	98.1 %
70,215	62,750	1.3	1.2	1.5	1.4	1.6
66,853	10,318	0.8	0.2	1.3	1.4	0.3
	12					
<u>\$ 4,912,847</u>	<u>\$ 4,016,421</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 6,800	\$ 3,250	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
1,965,000	1,865,000	43.0	41.8	40.3	40.0	46.4
2,227,100	2,071,872	45.8	48.6	49.6	45.3	51.6
			6.8			
<u>\$ 4,198,900</u>	<u>\$ 3,940,122</u>	<u>88.9 %</u>	<u>97.3 %</u>	<u>90.0 %</u>	<u>85.4 %</u>	<u>98.1 %</u>
<u>\$ 713,947</u>	<u>\$ 76,299</u>	<u>11.1 %</u>	<u>2.7 %</u>	<u>10.0 %</u>	<u>14.6 %</u>	<u>1.9 %</u>
\$ 1,390,788	\$ (269)					
<u>\$ 1,390,788</u>	<u>\$ (269)</u>					
\$ 2,104,735	\$ 76,030					
<u>3,622,292</u>	<u>3,546,262</u>					
<u>\$ 5,727,027</u>	<u>\$ 3,622,292</u>					
<u>10,958</u>	<u>10,608</u>					
<u>8,574</u>	<u>8,169</u>					

See accompanying independent auditor's report.

**HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2022**

District Mailing Address - Horizon Regional Municipal Utility District
14100 Horizon Boulevard
Horizon City, TX 79928

District Telephone Number - (915) 852-3917

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, <u>2022</u>	Expense Reimbursements for the year ended September 30, <u>2022</u>	<u>Title</u>
Gordon Jarvis	05/21 05/25 (Elected)	\$ 7,200	\$ -0-	President
Carl Dean Hulsey	05/19 05/23 (Elected)	\$ 4,050	\$ -0-	Vice President
Mike Barton	05/19 05/23 (Elected)	\$ 7,200	\$ -0-	Secretary
Florence Thomas	07/21 05/23 (Appointed)	\$ 7,350	\$ -0-	Treasurer

Note: No Director has any business or family relationships with major landowners in the District, with the District's developer or with any of the District's consultants.

Submission date of most recent District Registration Form: July 19, 2021

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution on June 20, 2003. A Director was inadvertently overpaid their fees by \$150 in the current fiscal year due to an accounting error. This overpayment will be reimbursed in the 2023 fiscal year. Fees of Office are the amounts paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2022

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2022</u>	<u>Title</u>
Johnson Petrov LLP	03/97	\$ 162,662 \$ 402,800	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	09/24/15	\$ 32,000 \$ 1,750	Audit Related Bond Related
Inframark, LLC	01/09/13	\$2,965,113	District Manager, Operations and Bookkeeper
TRE & Associates, LLC	12/01/11	\$ 792,305	Engineer
Blitch Associates, Inc.	05/04/15	\$ 85,551	Financial Advisor
El Paso County Tax Assessor/Collector	03/97	\$ 81,415	Tax Assessor/ Collector
Delgado Acosta Spencer Linebarger & Perez, LLP	01/01/06	\$ 54,282	Delinquent Tax Attorney

See accompanying independent auditor's report.

